

TO: The Mayor

FROM: Tom Cochran   
Executive Director

DATE: February 8, 2005

SUBJECT: Staff Analysis of the President's Fiscal Year 2006 Budget Request

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Yesterday President Bush submitted his budget request to Congress for FY 2006. The proposal calls for the elimination of key city priorities including Community Development Block Grants, COPS and Law Enforcement Block Grants, and AMTRAK. These programs provide vital services to local communities across the nation. The budget also calls for cuts in Homeland Security First Responder programs, which will shift more of the cost of defending the nation's homeland to local governments. And, it calls for drastic cuts in the Medicaid program, which will reduce health care assistance to the nation's poor and again shift the burden to state and local governments.

On a positive note, the proposal calls for increased funding for TEA-21 reauthorization over six years, and for Community Health Centers. The following is the Conference Mayors staff executive summary of key city priorities in the proposed budget, followed by a more detail analysis of city programs. The analysis discusses the changes called for in FY 2006 compared to final FY 2005 funding. Conference of Mayors staff contact information is provided under each program area if you have questions.

### **CDBG Coalition Launched**

Today, we launch our national coalition effort to save CDBG with a press conference led by our President Akron Mayor Don Plusquellic. We were joined in this effort by the National League of Cities, National Association of Counties, business organizations, and housing and community development organizations. I will provide you soon with a more detailed analysis of this event, our key messaging points, and our lobbying and public relations strategy for the coming days. The U.S. Conference of Mayors is totally committed to saving CDBG and securing full funding for the program. We will need your active participation.

# **U.S. Conference of Mayors Staff Executive Summary of Key City Priorities in the President's FY 2006 Budget**

## **ELIMINATIONS**

- Community Development Block Grants – would be eliminated in FY 2006. The program is currently funded at \$4.7 billion and provides grants to cities through the Department of Housing and Urban Development. Under the proposed budget, a reduced level of CDBG funds would be transferred to the Department of Commerce along with 17 other programs. A total of \$3.7 billion would be available to set up a new economic development initiative to assist economically distressed communities and regions in 2006.
- Local Law Enforcement – COPS hiring and Interoperability funding (currently funded at \$110 million) and the entire Justice Assistance Grant program (funded at \$624 million) would be eliminated.
- Amtrak – would eliminate federal subsidies for Amtrak leading to a shut down of operations in October 2005. It also calls for \$360 million to maintain existing commuter services if Amtrak ceases operating.

## **CUTS**

- Homeland Security First Responder Program – would reduce homeland security first responder assistance by \$360 million and increase the burden on local governments to pay for this vital service.
- Medicaid – would cut Medicaid payments by \$45 billion and shift enormous responsibility for healthcare of the nation's poor to state and local governments.

## **INCREASES**

- TEA-21 Reauthorization Funding – would increase surface transportation programs by \$28 billion in FY 2006, which reflects a reported agreement between the Administration and the House to fund the program at \$284 billion over a six-year period.
- Community Health Centers – would increase funding for community health centers by \$304 million for a total of \$2.038 billion in FY 2006.

# United States Conference of Mayors Staff Analysis of the President's FY 2006 Budget

## **ARTS AND RECREATION** (Staff Contact: Tom McClimon)

**Arts, Humanities and Museums** – The National Endowments for the Arts and Humanities would retain the same level of funding as in the current fiscal year. The National Endowment for the Arts would be funded at \$121 million and the National Endowment for the Humanities at \$138 million. Grants for museums at the Institute of Museum and Library Services would remain slightly above the current year at \$36 million.

**Parks** – The Administration is proposing no funding for the state assistance program of the Land and Water Conservation Fund and the Urban Parks and Recreation Recovery Program. In the current fiscal year, the state assistance program of LWCF received \$90 million.

**Travel and Tourism** – The Administration is proposing no additional funding for the promotion of an international destination marketing campaign to attract foreign visitors to the United States. Congress appropriated \$10 million for such an effort in the current fiscal year budget.

## **COMMUNITY DEVELOPMENT AND HOUSING** (Staff Contact: Eugene Lowe)

**Community Development Block Grant (CDBG)** – Funded at \$4.7 billion in FY 2005, CDBG would be eliminated in FY 2006. A reduced level of CDBG funds would be transferred to the Commerce Department along with funds from 17 other programs and consolidated into the Strengthening America's Communities Grant Program. Targeted to "economically distressed communities and regions", the program would be funded at \$3.7 billion. The program would also provide bonus funding to communities which have been successful in "attracting businesses... improving schools, reducing regulatory barriers to business creation and housing development, and reducing violent crime rates."

**Brownsfields Redevelopment, Section 108 Loan Guarantees, and Urban Empowerment Zones** – These programs would be transferred to the Commerce Department and consolidated into the Strengthening America's Communities Grant Program. During the HUD budget briefing it was said that it is yet to be determined how these programs will be implemented in the new economic development initiative.

**HOPE VI** – The Administration proposes the termination of this program, and rescinds the \$143 million appropriated to the program in FY 2005. The program provides assistance for the revitalization of severely distressed public housing.

**HOPWA** – Funds for Housing Opportunities for Persons with AIDS (HOPWA) would be cut from last year’s level of \$282 million to \$268 million in FY 2006. During the HUD budget briefing it was said that an even larger cut had been considered for the program.

**Homeownership Initiatives** – The Administration proposes several homeownership programs which are designed to help reach the goal of creating 5.5 million minority homeowners by the end of this decade. Some of these programs include:

- **The American Dream Downpayment Initiative (ADDI)** would be funded at \$200 million in 2006 to help first-time homebuyers achieve homeownership.
- **The Zero Downpayment Option** would be offered by the Federal Housing Administration (FHA) to assist first-time homebuyers.
- **A Single-Family Affordable Housing Tax Credit** would help stimulate the production of affordable homes in distressed communities.

**Homeless Assistance Grants** – With its commitment to eliminate chronic homelessness in 10 years, the Administration proposes to increase homeless assistance from last year’s funding of \$1.240 billion to \$1.440 billion in FY06. During the HUD budget briefing homeless advocates, while appreciative of the increase for homeless programs, expressed concern about the elimination of the Community Development Block Grant program which they said help provide housing for the homeless. The Administration also provides \$25 million for returning ex-offenders.

**The Housing Choice Voucher Program** – Funding is increased for tenant based Section 8 from \$14.766 billion (last year’s level) to \$15.845 billion in FY 2006. The Administration would expand the “dollar-based” approach adopted in the FY 2005 Consolidated Appropriations Act to allow public housing authorities to have more flexibility to address local needs.

**The Home Investment Partnerships Program** – This program would be increased from \$1.900 billion to \$1.941 billion.

**The Section 202 Elderly Housing Program, and the Section 811 Disability Housing Program** – While Section 202 would be level funded at \$741 million, the handicapped or disability program would be cut from last year’s funding of \$238 million to \$119 million.

## **HEALTH AND HUMAN SERVICES (Staff Contact: Crystal Swann)**

**HIV/AIDS Programs** – The Administration’s budget request includes \$2 billion for the Ryan White CARE Act programs which includes a \$10 million increase for the AIDS Drug Assistance Program. ADAP supports the purchase of medications for persons living with HIV/AIDS. The Centers for Disease Control budget request for HIV/AIDS, STDs, and TB prevention programs is \$956 million for FY 2006, a decrease of \$4 million from FY 2005 levels.

**Chronic Disease Prevention / Steps to a Healthier US Initiative** – The FY 2006 budget includes \$840 million for Chronic Disease Prevention and Health Promotion—a decrease of \$59 million over FY 2005.

**Head Start** – The FY 2006 budget includes \$6.8 billion for Head Start, an increase of \$45 million over FY 2005. Included in that is a set-aside for a state grant program funded at \$45 million.

**Drug Treatment** – The President has requested \$1.7 billion for the Substance Abuse Partnership Block Grant and \$447 million for substance abuse treatment activities.

**Low-Income Home Energy Assistance Program (LIHEAP)** – This program would be funded at \$2.0 billion, a decrease of \$182 million from FY 2005 funding levels.

**Bioterrorism** – The budget proposes a reduction of approximately \$130 million in state and local capacity funding in bioterrorism. Bioterrorism funding for state and local capacity funding is \$797 million for FY 06.

## **HOMELAND SECURITY AND PUBLIC SAFETY (Staff Contact: Ed Somers)**

### **HOMELAND SECURITY**

**First Responder Program** – Overall funding for key first responder programs would be cut by \$360 million, from \$3.720 billion in FY 2005 to \$3.360 billion in FY 2006. There would also be a number of structural and formula changes. The proposal would change the funding formula used for allocating money to the states away from one based on population, to a formula based on a number of factors including risks, threats, vulnerabilities, and unmet first responder capabilities as determined by the DHS Secretary. The minimum amount a state can receive would also be lowered from 0.75 percent to 0.25 percent. In addition, port security, rail/transit security, and bus grants would be rolled-up into a new discretionary “Targeted Infrastructure Protection” program to be controlled by the Secretary.

There is no major shift in the allocation of funding through the states, with the block grant funding, high-threat funding, and infrastructure funding all still being sent through the states. As in FY 2005, the states would be required to sub-allocate 80 percent of this funding to local areas within 60 days of receipt. The budget does allow the state block grant and high threat funding to be used for operational costs including overtime. Also, DHS made clear that the exemption to the Cash Management Act provided in FY 2005 would not be continued in FY 2006. This means that cities would once again be required to advance-fund homeland security activities unless they can spend funding within 3-5 days of receipt.

**Coast Guard** (Staff Contact: Ron Thaniel) – The President’s FY 2006 budget includes \$6.9 billion for the Coast Guard, an 11.4 percent increase over the FY 2005 budget. Included in this amount is \$1.9 billion for the Coast Guard’s Port, Waterways, and Coastal Security mission. This will fund a variety of high-priority Coast Guard initiatives like armed, high-speed boats in ports with liquefied natural gas terminals, further implementation of the Automatic Identification System to track sea-going vessels and enhance Maritime Domain Awareness, and new weapons systems for the Coast Guard’s helicopter fleet.

**Targeted Infrastructure Protection Program (TIP)** (Staff Contact: Ron Thaniel) – Under this new integrated Department of Homeland Security grant program, \$600 million in federal grants would be available for the protection of critical infrastructures including ports and transit facilities. The \$600 million is far below the identified security needs for the critical infrastructure, well below the estimated \$400 million needed to safeguard the nation’s 300 maritime ports and an estimated \$6 billion needed to safeguard public transportation. Of additional concern, the TIP budget does not contain a specific line item identifying funding levels for the critical infrastructure. This program replaces the port, trucking industry, intercity bus, and intercity passenger rail transportation security grants.

**Aviation Transportation Security** (Staff Contact: Ron Thaniel) – Transportation Security Administration aviation security would be funded at a level comparable to current funding levels. For FY 2006, \$2.04 billion for passenger screening activities is on par with the FY 2005 funding level and \$1.45 billion for baggage screening is the same as FY 2005. The FY 2006 budget also would provide \$180 million for the procurement of checked baggage explosive detection systems and \$45 million would be available for installation of checked baggage explosive detection systems – all funding levels comparable to FY 2005. Of note, the budget proposes to increase passenger fees by \$3.00 starting in 2006, raising the fee on a typical one-leg ticket from \$2.50 one way to \$5.50. For passengers traveling on multi legs of a one way trip, that fee would rise from the current maximum of \$5.00 to \$8.00. Fee increases will allow near full cost recovery of Federal airport screening operations.

**Border Security (Staff Contact: Justin O’Brien)** – The President’s 2006 Budget proposes an increase of \$50 million in funding for the United States Visitor and Immigrant Status Indicator Technology (US-VISIT) system; an additional \$178 million for radiological and nuclear inspection equipment for deployment at sea, air, and overland ports; an additional \$8.2 million for the Customs Trade Partnership Against Terrorism (C-TPAT); and an additional \$5.4 million for the Container Security Initiative (CSI). The President’s proposal also intends to enhance enforcement and border and port security with increases to the Border Patrol; continued execution of the Arizona Border Control Initiative (ABCI); and new, threat-focused state and local assistance grants. However, the operations of several key commercial and travel security programs including FAST (Free and Secure Trade) and the U.S.-Canada NEXUS program for low-risk cross border travelers would be consolidated and transfer to a Screening Coordination and Operations Office (SCO) with total funding at \$535.5 million—a

reduction in funding resulting from a fee-funded discretionary offset of approx. \$311 million. Total Customs and Border Protection funding would show a net increase from \$6.4 billion in FY 2005 to \$6.7 billion. Similarly, funding for U.S. Immigration and Customs Enforcement activities would increase from \$3.4 billion in FY 2005 to \$3.9 billion in FY 2006.

Additional border security highlights include \$600 million for Critical Infrastructure and the Targeted Infrastructure Protection Program to assist State and local governments in reducing the vulnerability of critical infrastructure. This would include ports-of-entry, transit systems, and chemical facilities; a \$37 million increase for an additional 210 Border Patrol agents; \$20 million to continue improvements in sensor, communication, and video surveillance capabilities along our borders, and \$20 million for the acquisition and replacement of aging Border Patrol aircraft.

## **PUBLIC SAFETY**

**COPS** – The budget proposes to continue the elimination of the COPS program by reducing funding administered by the COPS Office from \$379 million to \$118 million. This comes on top of previous year cuts for the COPS program, which was once funded as high as \$1.6 billion annually. Of the total for FY 2006, no funding would be provided for the Universal Hiring Program, the COPS MORE program, the school resources officers program, or interoperability grants. The budget also severely limits the ability of the COPS office to use recaptured funding.

**Justice Assistance Grant** – The budget would eliminate the Edward Byrne Memorial Justice Assistance Grant program that was just created last year – a cut of \$634 million. The new JAG program was created at the request of the Administration by combining the Local Law Enforcement Block Grant and the state-based Byrne Formula Grant program. In FY 2005, local governments are expected to receive 40 percent of the JAG money, approximately \$214 million.

**Other Justice Programs** –The State Criminal Alien Assistance Program (\$305 million) and the Juvenile Accountability Block grant (\$54 million) would be eliminated. Violence Against Women Act programs would be cut from \$387 million to \$363 million. The Administration is seeking \$177 million for DNA analysis and reducing or eliminating the backlog, and an increase in Drug Court funding from \$40 million to \$70 million.

## **ENERGY** (Staff Contact: Debra DeHaney-Howard)

The President's FY 2006 budget calls for \$23.4 billion in spending for the Department of Energy (DOE), which is \$475 million below the FY 2005 request and represents a 2 percent reduction from FY 2005.

**Renewable Energy** – The budget calls for \$354 million in renewable energy spending to develop diverse sources of energy and related technologies to meet the need for clean and affordable energy. It also increases funds for wind energy and hydrogen technology. This is an \$8.6 million increase over FY 2005 appropriations. The request for solar energy, hydropower, and geothermal technology is \$107 million, a \$7.6 million reduction from the FY 2005 budget appropriations.

**Energy Conservation** – The budget provides \$847 million for energy conservation spending through the Office of Energy Efficiency and Renewable Energy. This represents a 21.5% reduction from FY 2005. The budget proposes to increase funding for the weatherization assistance for low-income families program from \$228 million in FY 2005 to \$230 million. It also increases the Energy Star program from \$4.1 million to 5.8 million. And it proposes to decrease by 85.6% funding for State energy program grants and State energy activities. Further, it reduces the Clean Cities programs from \$10.6 million to \$6.5 million.

**Electric Transmission and Distribution Grid** – The budget calls for \$96 million for the Electric Transmission and Distribution Grid program, a 19.4 percent decrease from the FY 2005 level.

**Nuclear Waste Repository (Yucca Mountain)** – Funds for the Nuclear Waste Repository, Yucca Mountain, is \$427 million, a \$19.7 million increase from the FY 2005 appropriation.

## **EDUCATION** (Staff Contact: Fritz Edelstein)

For FY 2006, President Bush is requesting \$56 billion in discretionary appropriations for the U.S. Department of Education. This is a 1 per cent decrease or \$529.6 million from the FY 2005 budget request. The FY 2006 discretionary budget for education focuses on the following priorities over and above the President's \$1.5 billion High School Intervention Initiative: \$603 million increase in Title I Grants to Local Education Agencies; \$508 million increase for the reauthorization of Special Education Grants to States; \$834 million increase for Pell Grants to increase the maximum award to \$4,150; and \$500 million for a new Teacher Incentive Fund to encourage performance-based compensation systems that change the way school districts pay teachers. The new High School Initiative is proposed to be primarily funded by monies redirected from existing programs that are being eliminated in this budget. The budget zero funds 48 programs.

**Elementary and Secondary Education Act, Title I** – The President proposes to increase funding by \$603 million which provides grants to local education agencies through the states for some 15 million students in high-poverty districts across the nation. These are the students most in danger of falling through the cracks. The proposed FY 2006 budget is \$13.3 billion—the same as last year, since the Congress only funded the program at a level of \$12.7 billion in FY 2005.



**Individuals with Disabilities Education Act (IDEA)** – The President proposes to increase the Special Education Grants to States program part of IDEA by \$508 million for a FY 2006 budget request of \$11.1 billion which is the same as last year because Congress only appropriated \$10.6 billion in FY 2005. This program funds most of the special education programs in local school districts.

**21<sup>st</sup> Century Community Learning Centers** – The budget proposes to level fund the program at \$991 million. This is the same as the final appropriation in FY 2005.

**Reading First** – In FY 2006 the President is requesting level funding at \$1.042 billion. This program focused on the President's goal that all children read on grade level by the end of third grade.

**Early Reading First** – Similarly, the budget proposal requests level funding at \$104 million for this program that provides support to existing pre-school programs and enables children to get an early start on learning to read prior to entering kindergarten or first grade.

**Teacher Incentive Fund** – This is a newly proposed program at a level of \$500 million to reward teachers and schools making great progress in closing the achievement gap between students of different socio-economic backgrounds, recruit the most effective teachers to teach in high-need schools, and provide support for school districts to link teacher compensation more closely to growth in student achievement.

**Vocational Education (State Grants and National Programs)** – The Administration proposes funds previously appropriated for Vocational Education State Grants (\$1.194 billion) and National Programs (\$11.8 million) to be redirected to the President's High School Intervention Initiative. These funds will help support a new comprehensive strategy for improving the effectiveness of federal investments at the high school level and for a community college access initiative.

**Pell Grants** – An increase of \$834 million is requested for Pell Grants for a proposed request in FY 2006 of \$13.2 billion. This budget proposal includes an increase of the individual grant to \$4,150 per year. Included in the President's budget request for Pell Grants is \$33 million to create Enhanced Pell Grants that will provide an additional \$1,000 to low-income students who are State Scholars and take rigorous high school curricula. This is the same request as last year.

**President's High School Intervention Initiative** – This initiative is a comprehensive proposal that builds on the stronger accountability of No Child Left Behind to improve the quality of secondary education and ensure that every student not only graduates from high school, but graduates prepared to enter college or the workforce.

**Improving Access to Community College** – The proposed budget provides \$125 million for a new grant fund designed to boost college enrollment and completion particularly for low-income students. The program would offer incentives to community colleges to create dual-enrollment programs to ease transition from high school to college, and encourage states to create policies which would make it easier for students to transfer credits from community college to 4-year institutions.

**Some programs being proposed for elimination are:** Arts in Education, Community Technology Centers, Education Technology State Grants, Even Start, Javits Gifted and Talented Learning, Mental Health Integration in Schools, Parental Information and Resource Centers, Literacy Program for Prisoners, Elementary and Secondary School Counseling, Smaller Learning Communities, School Dropout Prevention, and Tech Prep.

## **ENVIRONMENT** (Staff Contact: Judy Sheahan)

The Environmental Protection Agency's (EPA) proposed budget for FY 2006 is \$7.6 billion, a 6% decrease (\$420 million) from the FY 2005 budget of \$8.02 billion.

**Brownfields** – The President's budget calls for \$210 million for the brownfields program, the same as his request last year but \$40 million more than Congress appropriated (\$170 million). Of this total, \$120.5 million is allocated for brownfields assessment and cleanup funding, \$60 million for state programs, and the remaining money allocated for personnel and program costs.

**Clean Water/Safe Drinking Water Infrastructure** – The Drinking Water State Revolving Fund remains level at \$850 million, as was proposed and funded during previous years. The budget request for Clean Water State Revolving Loan Funds is \$730 million, a decrease of \$360 million from the FY 2005 enacted appropriations of \$1.09 billion. This is even more of a significant decrease when compared to FY 2004's actual allocation of \$1.35 billion which includes Congressional earmarks.

**Superfund** – The President has proposed an increase of \$32 million for Superfund cleanup to \$1.3 billion from the FY 2005 actual levels enacted of \$1.246 billion but down from his proposed levels of \$1.38 billion in FY 2005. The Administration is proposing to work with Congress, the communities, and citizens to address the remaining sites on the National Priorities List that are large, complex and that generally cost \$50 million or more to cleanup per site.

**Army Corps of Engineers** – The proposed budget for FY 2006 calls for discretionary budget authority of \$4.3 billion, a decrease of 7% from FY 2005 estimate of \$4.7 billion.

## **JOB TRAINING PROGRAMS (Staff Contact: Joan Crigger)**

The President's Budget for the Department of Labor (DOL) calls for a new \$3.9 billion consolidated block grant by combining the current Adult, Dislocated Worker and Youth job training programs with the Employment Service which would provide for greater flexibility for governors to determine how these funds are spent. This is the first time that Youth programs have been included in a proposed block grant. These programs currently are jointly funded at \$4.1 billion.

In addition, governors would be able to supplement this consolidated block grant with resources from several other federal job training and employment programs including Veterans Employment and Trade Adjustment Assistance Training from DOL, Vocational Rehabilitation and Adult Education from the Department of Education, and Food Stamps Employment and Training from the Department of Agriculture.

**Consolidated Grant Program** – This block grant would consolidate formula grant funds from the Adult, Dislocated Worker and Youth job training programs along with the Employment Service funds. It would also include funds from the Work Opportunity Tax Credit administration grants and Labor Market Information grants.

**Adult Training Grants** – The budget would eliminate adult training grants in favor of a consolidated block grant to states.

**Dislocated Worker Job Training Grants** – The budget would eliminate all dislocated worker training grants in favor of a consolidated block grant to states.

**Youth Training** – DOL proposes to eliminate all youth training grants in favor of a consolidated block grant to states.

**Community-Based Job Training Grants** – The budget would fund this community college initiative at \$250 million as part of the President's High-Growth Job Training Initiative. It would fund competitive grants to community colleges that partner with employers to train workers with skills needed in growth sectors of the economy.

**Prisoner Re-entry Program** – The budget includes a total of \$75 million for the second year funding of this four-year Prisoner Re-entry Initiative to help individuals exiting prison make a successful transition to community life and long-term employment. DOL would provide \$35 million for this initiative, HUD would provide \$25 million, and the Department of Justice would provide \$15 million. These agencies will work together with faith-based and community organizations to fund competitive grants which include job training, transitional housing assistance and mentoring.

## **TRANSPORTATION** (Staff Contact: Ron Thaniel)

The President's budget for the Department of Transportation proposes \$57.5 billion in discretionary spending. This amount includes a \$28 billion increase for the reauthorization of TEA-21, bringing the Administration's proposal to \$284 billion over six-years, up from last year's \$256 billion request. This funding increase was made possible by legislation passed last year that directs ethanol tax receipts into the Highway Trust Fund. Mandatory spending is \$1.2 billion. The total Department of Transportation budget is \$58.8 billion or a 3.3 percent reduction from 2005's budget of \$60.8 billion. Of note, the President's budget, which proposes the elimination of Amtrak's federal subsidies placing Amtrak on track for a shutdown in October 2005, does not guarantee transit funding from the trust fund, and reduces airport improvement grants from \$3.5 billion to \$3.0 billion.

**Amtrak** – The 2006 budget request contains no funding for Amtrak, placing the intercity railroad on a shutdown track, in October of 2005, unless the following reforms are enacted:

- Amtrak would split into a private infrastructure company and train operating company, effectively separating the Northeast Corridor (NEC) infrastructure from long-distance train operations.
- DOT would lease the NEC infrastructure to a compact of States that would be responsible for managing the infrastructure and train operations along the corridor.
- Outside the Northeast where Amtrak does not own track, individual States and interstate compacts could negotiate with the freight rail companies to develop new routes.
- After a transition period, States would bid contracts for infrastructure maintenance and train operations among the former Amtrak companies and other private companies.
- States would cover train operating subsidies.
- Federal matching grants would help pay for infrastructure.

The 2006 budget proposes \$360 million for the Surface Transportation Board to maintain existing commuter services along the NEC and elsewhere if Amtrak ceases to operate.

The Next Generation High-Speed Rail Program funds have been eliminated in the proposed budget because the future of passenger rail remains under debate.

**TEA-21 Reauthorization** – The FY 2006 budget includes a \$28 billion funding increase for the Administration's TEA-21 reauthorization proposal to reflect a reported agreement with the House to fund the nation's surface transportation programs at \$284 billion over six-years. Reports are that the Senate is considering a larger reauthorization funding level.

**Federal-Aid Highway Program** – The FY 2006 budget request is \$34.7 billion, up from \$34.4 billion for FY 2005, for the Federal-Aid Highway Program.

**Transit Program** – The Transit Program requests of \$7.78 billion is about a 2 percent increase over the FY 2005 spending level of \$7.65 billion. Of concern, the FY 2006 budget does not guarantee the transit general funds as they were under TEA-21, and it does not preserve the traditional balance between Transit and Highway Programs.

**Aviation Program** – Aviation spending would slightly decrease in FY 2006 from \$13.90 billion in FY 2005 to \$13.79 billion in the proposed FY 2006 budget. Of note, the Airport Improvement Program (AIP) is reduced from \$3.5 billion to \$3.0 billion.

**Maritime Administration Budget** – The FY 2006 Maritime Administration (MARAD) request of \$294 million is a decrease of \$11 million (about 3.7 percent) below the 2005 enacted level. The MARAD mission is to strengthen the U.S. maritime transportation system – including infrastructure, industry, and labor – to meet the economic and security needs of the Nation.

# Comparison of Funding Levels for Key Municipal Programs in Enacted FY 2005 Budget and Proposed FY 2006 Budget

Prepared by  
The United States Conference of Mayors  
February 7, 2005

(Dollars in Millions)

	FY 2005 Enacted	FY 2006 Proposed
<b>ARTS, HUMANITIES, MUSEUMS AND PARKS</b>		
National Endowment for the Arts	121	121
National Endowment for the Humanities	138	138
Museum Grants	34	36
Urban Parks	0	0
Land and Water Conservation Fund	90	0
Historic Preservation	72	71
Travel and Tourism Promotion	10	0
<b>EDUCATION</b>		
21st Century Community Learning Centers	991	991
Title I Education for the Disadvantaged	12,740	13,342
Special Education State Grants	10,589	11,098
Impact Aid	1,243	1,240
Language Acquisition State Grants	675	676
Vocational Education State and National Program Grants <sup>i</sup>	1,300	0
Improving Teacher Quality State Grants	2,917	2,917
Pell Grants	12,365	13,232
Charter Schools	217	219
Reading First	1,042	1,042
Early Reading First	104	104
Education for Homeless Children and Youth	62	62
Early Childhood Educator Professional Development	14	15
TRIO Programs	837	379
Safe and Drug Free Schools Program	672	317
High School Intervention Initiative	0	1,500
High School Intervention	0	1,240
Striving Readers	25	200
Vocational Education State and National Programs	1,205	0
TRIO Upward Bound	313	0
TRIO Talent Search	145	0
GEAR UP	307	0
<b>ENERGY</b>		
Nuclear Waste Repository (Yucca Mountain)	408	427
Electric Transmission/Distribution	119	95
Energy Efficiency Building Technology	65	58
Fuel Cell Technology (Hydrogen Fuel / FreedomCar)	75	84
Rebuild America, Energy Star, Clean Cities	34	27

	FY 2005 Enacted	FY 2006 Proposed
Renewable Energy Supply (Solar, Wind, Geothermal, Biomass)	380	354
Vehicle Technologies	165	166
State Energy Program Grants	44	41
Weatherization Grants for Low Income Families	228	230
<b>ENVIRONMENT</b>		
Clean Water State Revolving Loan Funds	1,090	730
Drinking Water State Revolving Loan Funds	843	850
Superfund	1,246	1,300
Brownfields Assistance	170	210
<b>FOOD AND NUTRITION ASSISTANCE</b>		
Food Stamps	34,032	37,512
Child Nutrition Programs	12,367	12,913
WIC	5,241	5,576
Commodity Assistance Program (TEFAP)	107	50
<b>HEALTH</b>		
Medicare	290	340
Medicaid (outlays)	188	192
Ryan White CARE Act	2073	2083
CDC AIDS, STD, TB	960	956
Health Centers	1734	2038
Family Planning	286	286
Healthy Start	102	97
Maternal and Child Health Block Grant	724	724
Preventive Health Block Grant	131	0
Immunizations	479	529
Mental Health Partnership	433	433
Chronic Disease Prevention and Health Promotion	899	840
<b>HOMELAND SECURITY</b>		
State First Responder Formula Grant Program	1,100	0
State Discretionary Grant Program (New)	0	1,020
High-Threat Urban Areas Program	860	1,020
Homeland Security Law Enforcement	400	0
Targeted Infrastructure Protection (TIP) - Ports, Transit, Other... (New)	0	600
Port Security Grants (TIP)	150	0
Rail/Transit Security Grants (TIP)	150	0
Intercity Bus Security Grants (TIP)	10	0
Firefighter Grants	650	500
Technology Transfer Program	50	50
Fire Department Staffing Assistance Grants	65	0
Metropolitan Medical Response System	30	0
Urban Search and Rescue	30	0
Citizen Corps	15	50
High-Risk-Non-Profit Organization Grants	25	0
Emergency Management Performance Grants	180	170
Bio-Terrorism (HHS State & Local Capacity)	927	797
Aviation Passenger Screening	2,049	2,049
Aviation Baggage Screening	1,227	1,452
Procurement of Explosive Detection System (EDS)	180	180

	FY 2005 Enacted	FY 2006 Proposed
Installation of EDS/Letter of Intent	295	295
Rail/Transit Security Grants (TSA)	12	0
Coast Guard	6,321	6,947

### **CRIME AND DRUG CONTROL**

COPS Funding	379	118
COPS Hiring (within COPS)	(10)	0
Local Law Enforcement Block Grant	0	0
Byrne Anti-Drug Enforcement Grants	0	0
NEW Justice Assistance Grant Program	634	0
Southwest Boarder Prosecutors	30	48
Juvenile Accountability Incentive Block Grant	54	0
Violence Against Women Act Grants	387	363
Safe and Drug Free Schools and Communities	672	317
Drug Courts	40	70
State Prisoners Drug Treatment	25	44
State Criminal Aliens Assistance Program	305	0
Weed & Seed	62	60
Project ChildSafe (Gun Locks)	5	33
State and Local Gun Violence Assistance Program	0	74
Offender Reentry	10	15
Bullet Proof Vests	25	30
Substance Abuse Partnership Block Grant	1776	1776
Substance Abuse Prevention	200	184
Substance Abuse Treatment	421	447

### **HOMELESS ASSISTANCE**

Homeless Programs	1,240	1440
Emergency Food and Shelter (DHS)	153	153
Education for Homeless Children & Youth	62	62
PATH Formula Grants	55	55

### **HOUSING AND COMMUNITY DEVELOPMENT**

Community Development Block Grant	4,709	0
HOME Investment Partnership	1,900	1,941
American Dream Down payment (within HOME)	50	200
Public Housing Operating Subsidies	2,438	3,407
Public Housing Capital Fund	2,579	2,327
HOPE VI <sup>ii</sup>	143	-143
Housing Opportunities for People with AIDS	282	268
Section 202 Elderly/Section 811 Disabled	979	860
Section 108 Loan Guarantees	275	0
Section 8 Rental Assistance	14,766	15,845
Community Development Financial Institutions	55	0
Brownfields Assistance	24	0
Urban Empowerment Zones	10	0
Economic Development Administration	284	27

### **HUMAN SERVICES**

Temporary Assistance to Needy Families	17,044	18,164
Child Care & Development Block Grant	2,718	2,718



	FY 2005 Enacted	FY 2006 Proposed
Head Start	6,843	6,888
Social Services Block Grant	1,764	1,762
Low-Income Home Energy Assistance	2,182	2,000
Community Services Block Grant	637	0
Administration on Aging Programs	1393	1372
State Children's Health Insurance Program	5343	6233
Refugee and Entrant Assistance	430	489

## **JOB TRAINING PROGRAMS**

Consolidated Block Grant <sup>iii</sup>	N/A	3,913
Adult Training	891	0
Dislocated Workers Assistance <sup>iv</sup>	1,344	0
Community Based Job Training Grants	248	250
Youth Training	986	0
Youth Opportunity Grants	0	0
Job Corps	1,546	1,517
One-Stop Career Centers / System Building	98	48
Reintegration of Youth Offenders	50	0
Prisoner Reentry Program <sup>v</sup>	20	35
Migrant and Seasonal Farm Workers	73	0
Employment Service (Wagner-Peyser)	780	0
YouthBuild <sup>vi</sup>	67	60

## **TRANSPORTATION**

Amtrak (Eliminates Amtrak Federal Subsidy: Assumes \$360 million for the Surface Transportation Board to maintain commuter services if Amtrak ceases operation.)	1,217	0
Federal Aviation Administration	13,903	13,792
Airport Improvement Program (AIP)	3,498	3,001
Federal Aid Highway Program	34,419	34,700
Federal Transit (General Fund Support of Transit Not Guaranteed)	7,649	7,781
Major Capital Investment Grants	1,452	1,562
Formula Grants & Research	6,118	6,135
Maritime Administration Budget	305	294

<sup>i</sup> Moves the Vocational Education Secondary and Technical Education State Grants program to the President's new High School Intervention Initiative

<sup>ii</sup> The President has requested rescinding these funds in the FY 2006 budget.

<sup>iii</sup> The DOL budget proposes to create a new consolidated block grant program by combining the current adult, dislocated worker, and youth employment and training activities together with the Employment Service to provide governors more flexibility.

<sup>iv</sup> This figure reflects the \$117 million transfer to the Community-Based Job Training Grants (community college initiative)

<sup>v</sup> Proposed funding for the second year of this program is \$75 million – \$35 million provided by DOL, \$25 million by HUD, and \$15 million by Justice

<sup>vi</sup> YouthBuild was previously funded at HUD. The budget proposes to move YouthBuild to DOL.